



Brain+ announces the outcome of its series TO 2 warrant exercise and decision to carry out a directed share issue to cover guarantor commitments

COMPANY ANNOUNCEMENT

- Brain+ announces that 74.3% of its warrants of series TO2 have been subscribed for, securing the company approximately DKK 4.2 million in gross proceeds
- The exercise rate amounted to 67.4% of the total outstanding number of warrants with 19,228,798 warrants of series TO 2 exercised to subscribe for 19,228,798 new shares in the company
- Guarantor commitments covered an additional 6.9% of the offering
- To cover the guarantor commitments, the board of directors today decided to carry out a directed issue of 1,970,766 new shares on the same terms as for the TO 2 warrant exercise

Copenhagen, Denmark, 18 October 2023 – Brain+ A/S (Nasdaq First North: BRAINP)

Brain+ A/S (“Brain+” or “the Company”) announces the outcome of the exercise of its warrants of series TO 2 (the “Warrants”), which were issued in connection with the Company’s unit rights issue in May 2023. In total, 19,228,798 Warrants, corresponding to 67.4% of the total number of outstanding Warrants, were exercised for subscription of 19,228,798 shares, providing Brain+ with approximately DKK 3.8 million in new capital before issue related costs. To cover guarantor commitments, which were provided at no fee to cover 1,970,766 non-exercised Warrants, the board of directors today resolved to carry out a directed issue of 1,970,766 new shares on the same terms as for the TO 2 warrant exercise (the “Directed Issue”), securing the company an additional DKK 0.4 million in proceeds before issue related costs. Subscribers in the Directed Issue includes two new guarantors in addition to those announced by the company on 10 and 12 October 2023.

Kim Baden-Kristensen, CEO and founder of Brain+ commented on the result:

“We are extremely happy and grateful for the outcome of the TO 2 warrant exercise and in particular considering the current very challenging equity market conditions. I wish to extend my sincere thanks to all the company’s main shareholders for their strong support and for the outstanding backing from all our investors – existing and new - in the transaction. With the proceeds from the capital increase we now have sufficient financial runway to take us to the next funding event and to deliver on the several important milestones we have in front of us in the coming months.”

Background

Brain+ completed a pre-emptive rights issue of units during May 2023. As part of the issue, a total of 28,542,348 warrants of series TO 2 were issued. Each Warrant gave the holder the right to subscribe for one (1) new share in the Company. The exercise price of the Warrants was determined to DKK 0.20 and the exercise period for the Warrants was between 2 October 2023 and 16 October 2023.

Warrant exercise outcome

In total, 19,228,798 Warrants were exercised for the subscription of 19,228,798 new shares in the Company, corresponding to approximately 67.4% of all outstanding warrants of series TO 2. Brain+ receives approximately DKK 3.8 million in gross proceeds from the Warrant exercise.

Upon the exercise of Warrants and payment of the exercise price per share, Warrant exercising investors receive Brain+ interim shares (IA/midlertidig aktie), pending registration with the Danish Business Authorities. The interim shares will be converted into ordinary shares in Brain+ within a few days.

Directed issue to guarantors

As part of the exercise of series TO 2 warrants, the company received guarantor commitments to cover a total of 1,970,766 warrants. The guarantor commitments were given by CEO, Kim Baden-Kristensen, CFO, Hanne Leth Hillman, members of the Board of Directors, Chairman Anders Härffstrand and Johan Luthman as well as three external investors. Two of the guarantor commitments, representing a combined amount of DKK 0.1 million are new and in addition to the commitments announced by Brain+ in Company Announcements on 10 and 12 October 2023.

To cover the guarantor commitments, the board of directors in Brain+ today resolved, based on an existing authorization in the Company's Articles of Association, to increase the Company's share capital by a directed issue of 1,970,766 new shares of nominally DKK 0.10 each, totaling nominally DKK 197,076.60. No compensation is paid to the guarantors. The reason for adopting the Directed Issue approach is in a cost-effective way to provide Brain+ with total new capital closer to the maximum amount of the series TO 2 warrant exercise.

The subscription price in the Directed Issue is DKK 0.20 as in the warrant exercise, which means that the Directed Issue will provide an additional DKK 0.4 million in new capital to the Company before issue related costs.

None of the board members have been involved in the decision to allocate shares to themselves.

Shares and nominal share capital

Through the exercise of Warrants, the number of shares in Brain+ will increase by 19,228,798 shares, and the nominal share capital will increase by DKK 1,922,879.80. For existing shareholders who did not exercise Warrants, the dilution amounts to approximately 30.3% in relation to the number of shares and the nominal share capital before the exercise.

Through the Directed Issue to guarantors, the number of shares in Brain+ will increase by additionally 1,970,766 shares, and the nominal share capital will increase by additionally DKK 197,076.60. For existing shareholders, the additional dilution arising from the Directed Issue amounts to approximately 4.3% in relation to the number of shares and the nominal share capital before the warrant exercise and Directed Issue.

After the completion and registration of the Warrant exercise and Directed Issue with the Danish Business Authority, the number of shares in Brain+ will have increased by 21,199,564 shares, from 44,262,866 to 65,462,430 shares, and the Company's nominal share capital will have increased by DKK 2,119,956.34, from DKK 4,426,286.60 to DKK 6,546,243.00. For existing shareholders who did not exercise Warrants, the total dilution amounts to approximately 32.4% in relation to the number of shares and the nominal share capital before the two events.

Following registration with the Danish Business Authority, application will be made to Nasdaq Copenhagen A/S for the new shares to be admitted to trading on Nasdaq First North Growth Market Denmark. It is expected that the first day of trading of the new shares will be on or around 23 October 2023.

Advisors

In connection with the unit rights issue including the issue and exercise of warrants of series TO 2, Sedermera Corporate Finance AB and Gemstone Capital A/S act as financial advisors to Brain+. Markets & Corporate Law Nordic AB act as legal advisor. Nordic Issuing AB is the issuing agent.

For more information about the warrant exercise, please contact:

Sedermera Corporate Finance AB
Phone: +46 (0) 40 615 14 10

E-mail: cf@sedermera.se
www.sedermera.se

Gemstone Capital A/S
Phone: +45 33 22 07 00

E-mail: sh@gemstonecapital.com

www.gemstonecapital.com

For more information about Brain+, please contact:

Kim Baden-Kristensen, CEO
Phone: +45 31 39 33 17
E-mail: kim@brain-plus.com

www.brain-plus.com

Certified Adviser

Keswick Global AG

Phone: +43 1 740 408 045

E-mail: info@keswickglobal.com